



CITY COUNCIL STAFF REPORT

MEETING DATE: December 17, 2003

AGREEMENTS FOR FINANCIAL ADVISORY AND BOND COUNSEL SERVICES IN CONNECTION WITH POLICE FACILITY FINANCING

RECOMMENDED ACTIONS:

- 1) Authorize the City Manager, on behalf of the City, to enter into an agreement with RBC Dain Rauscher Inc. for financial advisory services
- 2) Authorize the City Manager, on behalf of the City, to enter into an agreement with Richards, Watson & Gershon for bond counsel/disclosure counsel services

EXECUTIVE SUMMARY:

The financing for the Police Facility acquisition will occur once the tenant improvements are completed and the City has accepted these improvements. Staff believes this completion and financing will occur in June 2004. The financing will be structured as a lease purchase and will provide approximately \$6.6 million, net of transaction costs, toward the purchase of the facility. Additional funds to be applied to this project will be previously collected police impact fees amounting to \$1.2 million and \$1.7 million in monies to be received by the City from the sale of land to the Redevelopment Agency.

FISCAL IMPACT:

The cost of financial advisory and bond counsel/disclosure counsel services will be paid only when and if the debt financing proceeds and closes. The cost of bond counsel/disclosure counsel will not exceed \$45,000, while the cost of financial advisory services will not exceed \$76,000.

**Agenda Item # 39
AMENDED**

Prepared By:

Finance Director

Submitted By:

City Manager